TOP SECRET



HIGHLIGHTS

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In South Vietnam the US 2nd Brigade at Bien Hoa Airfield came under mortar and automatic-weapons; fire for the third consecutive night. US casualties were light. Government forces inflicted heavy casualties on the Viet Cong at Bu Dop, and in two large-scale search-and-destroy operations at Quang Tin and Vinh Binh they inflicted significant losses on the Communists.

I. The Military Situation in South Vietnam:
The beleaguered South Vietnamese Special Forces
camp at Bu Dop, in Phuoc Long Province, received
intense Viet Cong small-arms fire again last night,
but apparently no concerted attack was made; the
latest casualty figures from the Bu Dop action have
been reported (Paras. 1-2).

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Thirty Guam-based B-52s conducted a saturation bombing mission early today against the Viet Cong War Zone "D" stronghold, north of Saigon (Para. 4). A landing craft of the Vietnamese "River Assault Group" detonated a Viet Cong land mine clast night in Long And Province resulting in heavy friendly casualties (Para () 224. 5). Troops of the newly arrived 2d Brigade, 1st US Infantry Division--deployed in defensive positions around Bien Hoa Air Base--came under heavy Viet Cong mortar, machine gun, and sniper fire last night for the third consecutive night (Para. 6). Fifty Viet Cong were reportedly killed yesterday by South Vietnamese Regional Forces personnel in two separate actions in Darlac and Phuoc Tuy provinces, respectively (Para. 8). Two large-scale ARVN searchand-destroy operations conducted against Communist units in Quang Tin and Vinh Bihh provinces on 19

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July have resulted in significant enemy losses (Para. 9).

II. Political Developments in South Vietnam: the remarks of chief of state General Thieu at a rally in Saigon commemorating the anniversary of the Geneva Accords quote Thieu as declaring the agreements no longer valid and declaring that genuine peace will come only when there are no Viet Cong in either the South or the North (Paras. 1-2). The Viet Cong's Liberation Committee for Saigon reportedly has appealed to the populace to rise up and overthrow the Saigon government (Para. The US Embassy estimates that rice stocks available to the Saigon government are now dangerously low and that about 300,000 metric tons of rice will be required from imports to meet consumption needs through 1965 and provide minimum security stockpiles (Para. 5).

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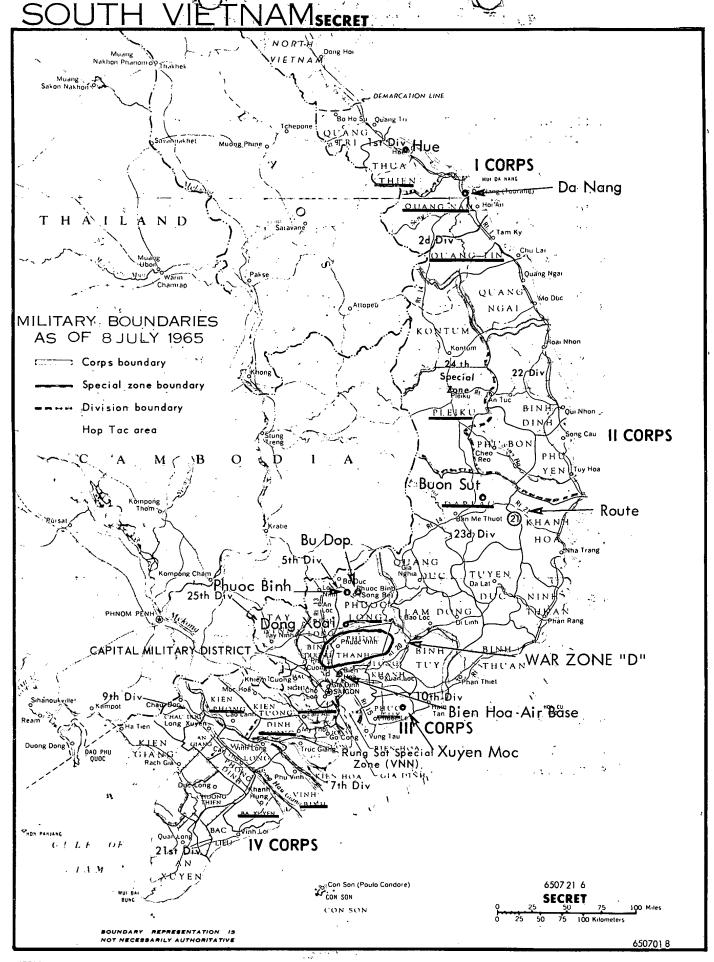
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- IV. Other Communist Military Developments: Chinese Communist military involvement in North Vietnam appears to be increasing (Paras. 1-4).
- V. <u>Communist Political Developments:</u> Nothing of significance to report.
- VI. Other Major Developments: Nothing of significance to report.

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. The South Vietnamese Special Forces camp at Bu Dop, ten miles northeast of Phuoc Binh (Song Be) in Phuoc Long Province, received intense Viet Cong small-arms fire again last night for about an hour, but apparently no concerted attack was made. Flareships and tactical fighter aircraft supported the beleaguered defenders, ultimately forcing enemy units to break contact. No new friendly casualties were reported.
- 2. According to unconfirmed press reports, government reinforcements which were dispatched yesterday to relieve enemy pressure on the CIDG paramilitary garrison at Bu Dop discovered the bodies of 120 Viet Cong hanging from the wires of the camp's perimeter and scattered among the ruins of the camp's buildings. It was speculated that the number of casualties sustained by the Viet Cong in the assault may run as high as 250 killed. Meanwhile, government losses remain as originally reported: 22 killed (two US), seven wounded (four US), and 60 missing.

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4. Thirty Guam-based B-52s early this morning carried out a saturation bombing mission against Viet Cong War Zone "D," 30 miles north-northwest of Saigon. The objective of the attack was to harass and disrupt enemy personnel and installations in this redoubt area. No further details are available at this time.

- 5. A landing craft of the Vietnamese "River Assault Group" (RAG) detonated a Viet Cong mine last night while on an amphibious operation in Long An Province, 25 miles south of Saigon. Government casualties have been placed at 47 wounded (two US) and 18 missing (one US).
- 6. Troops of the newly arrived 2nd Brigade, 1st US Infantry Division, deployed in defensive positions around Bien Hoa Air Base came under heavy Viet Cong mortar, machine gun, and sniper fire last night for the third consecutive night. At least two ground probes by enemy units ranging in size from squad to platoon were repulsed after brief exchanges of fire. American casualties were described as "very light," while Communist losses were unknown.
- 7. In other Viet Cong initiated actions, the frequently harassed district town of Dong Xoai in Phuoc Long Province was shelled by mortar and automatic weapons fire yesterday. No report on friendly casualties is available. Elsewhere, a delayed MACV report states that on 17 July Viet Cong guerrillas in Pleiku Province threw grenades into a group of villagers who refused to sing Viet Cong songs, killing 12 of them and wounding 26.
- 8. Fifty Viet Cong were reportedly killed yesterday in two separate actions with government troops in widely scattered areas of South Vietnam. In the central highlands, 30 guerrillas were killed in an abortive attack against a Regional Forces company on a security mission along Highway 21 near Boun Sut, 195 miles northeast of Saigon, in Darlac Province. To the south, Regional Forces soldiers killed 20 insurgents in a clash near Xuyen Moc, 50 miles southeast of Saigon, in Phuoc Tuy Province.
- 9. Government forces have inflicted significant losses on the Viet Cong as the result of two large-scale search-and-destroy operations conducted in Quang Tin and Vinh Binh provinces, respectively,

on 19 July. In the action at Quang Tin, battalion-strength elements of the 2d ARVN Division killed 37 guerrillas, captured three weapons, and seized a quantity of documents, as against friendly losses of only one wounded. In the Vinh Binh engagement, 21 Viet Cong were killed and four weapons captured by two battalions of the 14th ARVN Regiment, supported by two Regional and Popular Forces companies. Three government soldiers were killed and eight wounded.

- MACV's military report for 19 July shows 95 Communist-initiated incidents, 12 of which occurred during the 24-hour reporting period. Thua Thien Province, Viet Cong saboteurs mined an ARVN-escorted passenger train traveling from Da Nang to Hué, resulting in two railroad employees wounded, one flat car derailed, and the engine, four rails, and 44 steel cross-ties damaged. rilla-directed 60- and 81-mm. mortar fire was placed on district towns in Quang Nam and Phuoc Long provinces, on an ARVN outpost in Thua Thien Province, and on a Regional Forces - Popular Forces training center in Dinh Tuong Province. Small-scale acts of terrorism against the population, hamlet entry and harassment, and mine detonations against civilian and military personnel remained widespread.
- craft conducted combat air operations against Viet Cong troop concentrations, base camps, supply points, and staging areas throughout South Vietnam on 19 July, with pilots reporting an estimated total of 55 guerrillas killed, 123 structures destroyed, 69 damaged, and six sampans destroyed. The most productive air strikes of the day were targeted against enemy positions in the Mekong Delta provinces of Kien Phong, Dinh Tuong, Vinh Binh, and Ba Xuyen, where friendly aircraft reportedly killed 40 Viet Cong, destroyed 90 structures, and damaged 53 in a series of close air support bombing and strafing missions.

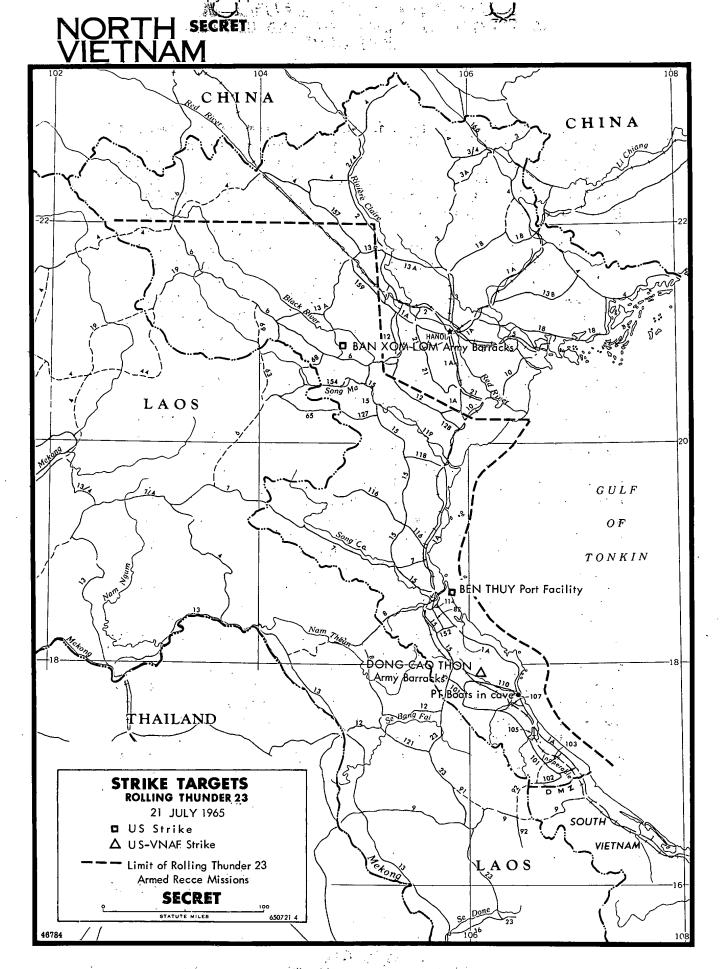
II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- 1. In commenting on the Saigon government's commemoration yesterday of the anniversary of the 1954 Geneva accords--marked in Saigon with a major rally addressed by chief of state General Thieu, and near the demarcation line with North Vietnam by a rally attended by Premier Ky--the US Embassy believes there may be some unfortunate repercussions on South Vietnam's image abroad. The rallies appear to have focused on the theme of liberating the north, and apparently gave little emphasis to North Vietnam's aggression against the south.
- 2. Although Ky's remarks are not yet available and an official text of Thieu's extemporaneous speech has not yet been studied, Saigon press accounts of Thieu's speech suggest that it was geared primarily to domestic considerations. He reportedly declared that the Geneva agreements have no further validity and that the parallel dividing North and South Vietnam is no longer a frontier. Thieu also asserted, according to press accounts, that South Vietnam would never take part in a conference attended by the Viet Cong, that genuine peace will come only when there are no more Viet Cong in the South or the North, and that "we must liberate the North and confront Red China to guarantee peace."
- On 20 July, the Viet Cong clandestine Liberation Radio broadcast an appeal from the Front's committee for Saigon - Gia Dinh, exhorting the people of Saigon to rise up, overthrow "the enemy's cruel regime," and put power into the people's hands. fying the present government and all preceding ones since the Diem regime as "puppets" and "traitors who promote US imperialist aggressive war," the statement urged workers in Saigon to unite with students, intellectuals, patriots, and government and private employees, and to join the "revolutionary ranks" in the "final struggle." The people of Saigon were also urged to "use violence to smash" the government's effort to draft soldiers for the US, and the US "policy" of evicting people from their homes and seizing land to construct buildings for the Americans.

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- 4. According to the marine commander, General Khang, the military Directory is considering new assignments or retirement for various former or still-active generals on diplomatic assignments. According to Khang, the Directory plans to offer General Khiem--now ambassador to the US--a post in Seoul and to offer General "Big" Minh--now in exile in Bangkok--an ambassadorship to Taiwan as a last offer of consideration from the government. Khang stated that no decision was taken on the status of General Khanh, whom most of the Directory except Premier Ky felt should be retired from the armed forces.
- The US Embassy reports that the Ky government, in its discussions with top US officials this week, requested that the US finance the purchase of 50,000 metric tons of rice from Thailand to meet shortrun consumption requirements for August and part of September, and provide an additional 100,000 tons of rice to meet needs for the remainder of the year. The embassy estimates that present minimum monthly requirements are 15,000 metric tons for Saigon and 35,000 for central Vietnam, but that the requirement may increase because of the refugee problem and speculative demand and hoarding. government stocks are now adequate for July needs, available local supply over the next several weeks will depend on the government's ability to move stocks from the delta. The embassy estimates that 300,000 metric tons of rice will have to be imported between September and January, including the 50,000 PL-480 tons already programmed for arrival in October. It recommends that the US finance the 50,000 tons from Thailand, provide an additional 100,000 tons under PL-480, and consider additional imports to acquire rice for a stockpile that will assure a minimum of 150,000-200,000 tons as a safety measure.



III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

- 1. US and VNAF aircraft conducted successful strikes on three primary targets in North Vietnam on 21 July.
- 2. USN Skyhawks from the carrier Independence made a low-level napalm attack on the Ban Xom Lom barracks area reporting 10-12 buildings severely damaged. Coral Sea based Skyhawks struck the Ben Thuy port facility and destroyed two buildings and heavily damaged four others. Two AAA sites at the port were fifty percent destroyed and secondary explosions were noted in the port area as the planes were leaving.
- 3. A VNAF strike, supported by USAF aircraft, destroyed fifty buildings at the Dong Cao Thon army barracks. This represents approximately fifty percent of the target area.
- 4. A USN armed reconnaissance mission discovered a number of PT boats hiding in a cave which was located on a canal leading into the Troc River. They fired eight Zuni rockets into the cave entrance with unknown results. Other USN reconnaissance missions damaged a radar site, noting secondary explosions from one building. One motorized ferry with a vehicle on board and a barge were also sunk.

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